



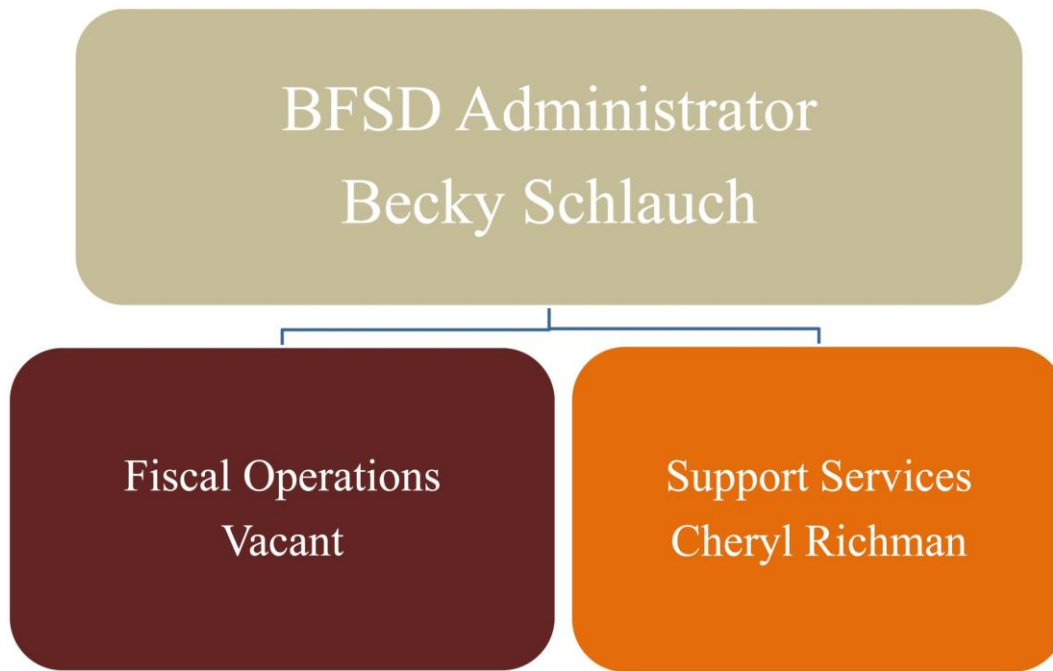
Presentation to the 2015 Health and Human Services
Joint Appropriation Subcommittee

BUSINESS AND FINANCIAL SERVICES DIVISION

Operations Services Branch
Department of Public Health and Human Services

Reference:
Legislative Fiscal Division Budget Analysis, Volume 4, Page B-38 – B-41

Organizational Chart



Title	Name	Phone Number	E-mail address
Administrator	Becky Schlauch	406-444-9407	bschlauch@mt.gov
Fiscal Operations Bureau Chief	Vacant	406-444-5369	
Support Services Bureau Chief	Cheryl Richman	406-444-4690	crichman@mt.gov
Financial Manager	Sheri Vukasin	406-444-9664	svukasin@mt.gov

OVERVIEW

The Business & Financial Services Division (BFSD) provides professional accounting, budgeting and business services that are crucial to the delivery of department services by other divisions.

SUMMARY OF MAJOR FUNCTIONS

FISCAL OPERATIONS BUREAU

Grant Accounting-The BFSD's General Ledger Accountants brought in more than \$1.2 billion in federal funds from federal granting agencies in 2014. The accountants are responsible for transparent and proper reporting for over 170 unique federal funding sources and 80 state special accounts. The staff monitors the financial activities in the funds, completes financial schedules and reports, performs in-depth financial analysis and requests reimbursement from federal grantors.

Accounts Payable-BSFD processed over 785,000 payments to more than 70,000 unique clients and vendors during SFY14 in addition to processing all employee and non-employee travel for the entire agency.

SUPPORT SERVICES BUREAU

Procurement Support-Our procurement staff of 3 provided oversight to over 13,000 purchase orders totaling over \$17 million in FY14 to ensure compliance with regulatory guidelines, guarantee that goods and services procured met ethical standards and represented best value, quality service, timely delivery along with welcoming open competition and transparency.

Medical Billing-Over \$24.5 million was collected in 2014 by the Facility Reimbursement Section. Dedicated and caring financial investigators work one-on-one with Montanans that are in need of care at our facilities to understand their personal financial situation. Medical billers work to maximize recovery from insurance companies, Medicaid, Medicare and private individuals for medical costs incurred at the state facilities.

Accounts Receivable/Cash Collections-Over \$87 million were collected in SFY 2014 that directly reduces the cost of DPHHS programs. The Accounts Receivable Unit helps minimize the cost of DPHHS services for all Montana taxpayers by overseeing the department wide accounts receivable system and processing over 68,000 checks. In addition to checks from businesses and individuals, the Accounts Receivable Unit collected over \$400K in taxes from individuals to offset debts they have with the department.

Operational Functions-DPHHS programs can more effectively deliver services across Montana due to the efficient centralized administration of the following: lease management of over 90 leases; records retention and management with over 20,000 boxes in storage and almost 3000 disposed of last year; central mail room that processed over 329,000 letters and 10,000 packages.

FISCAL POLICY

Financial Management-Montana accounting policy requires that all agencies have internal controls sufficient to ensure accurate financial reporting. The Fiscal Policy office provides leadership and guidance in the development and implementation of accounting policies and procedures that ensure proper controls over the resources provided to DPHHS.

OFFICE OF BUDGET & FINANCE

Budget Oversight-The DPHHS budget includes over 224 different funding streams. The Office of Budget and Finance oversees the proper utilization, tracking and management of the department's appropriations in accordance with HB 2, state statute and federal regulations.

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2015 BIENNIUM:

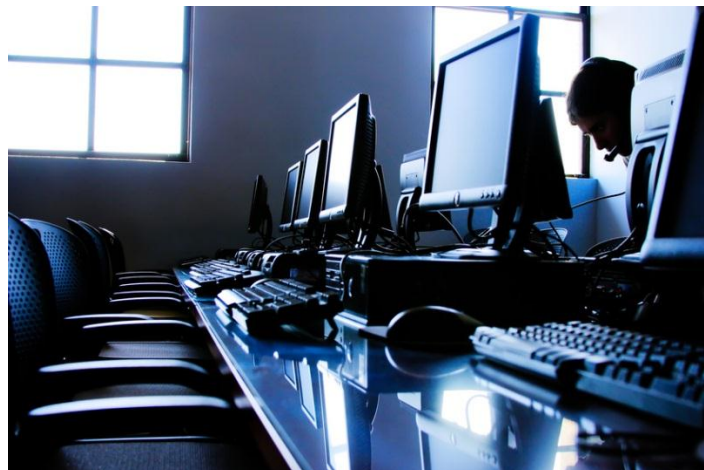
Onsite Electronic Deposit-We have switched 10 programs to onsite electronic deposit. Doing so has accelerated our receivables, improved our efficiency, and improved internal control and risk management.

Credit card implementation-BSFD has implemented credit cards as a payment option for Food and Consumer licenses. We processed over \$82,000 in credit card payments in the first year, which amounted to almost 900 individual payments. We are looking at expanding credit cards as an option for other payment categories.



Pro Cards-BSFD has encouraged more wide-spread use of pro-cards for purchasing. We expanded from just a handful of pro-cards to 160, and processed close to \$5 million in payments on the cards which will result in a nice rebate for the state of Montana.

Surplus-After a little homework and some persistent staff, we were able to switch e-waste vendors and saved the agency close to \$25,000 in recycling fees in FY14. Our support staff has also redistributed furniture to divisions that have a great need for newer stuff but no budget for it rather than simply sending the old to surplus and buying new. This has saved the agency considerable amounts of taxpayer money and reduced waste.



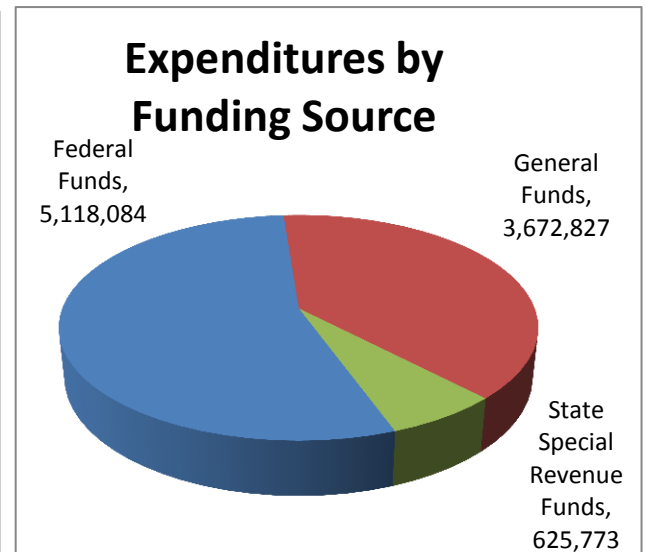
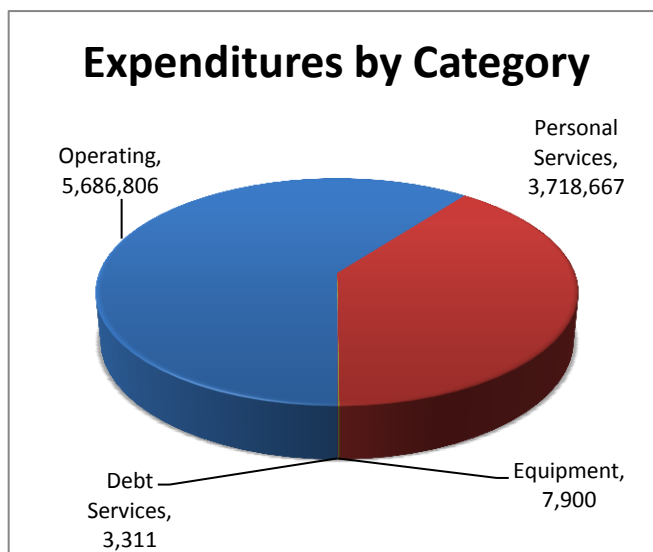
GOALS AND OBJECTIVES

Department of Public Health and Human Services Business and Financial Services Division	
Goals and Objectives Submitted October 2014	
Goal: Continuous Improvement in the Department's Internal Control Environment by: <ul style="list-style-type: none">• Maintaining an internal control environment that promotes efficient and documented compliance with applicable laws and regulations.• Encouraging business processes that enhance the effectiveness and efficiency of department operations.	
Objective	Measures
Continually work to maintain an effective fiscal control environment in the Department by completing an annual risk assessment of major financial processes in the Department and conducting mitigation activities on 100% of identified high risk components.	<ul style="list-style-type: none">• The objective is measured by identification of major financial processes at the beginning of the year and conducting a risk assessment and mitigation process each year; the objective is met when 100% of identified, major financial processes are assessed and mitigation activities are completed.

FUNDING AND FTE INFORMATION

	2014 Actual Expenditures	FY 2016 Request	FY 2017 Request
Business and Financial Services Division			
FTE	65.50	63.00	63.00
Personal Services	3,718,667	4,083,640	4,080,675
Operating	5,686,806	6,367,999	5,893,197
Equipment	7,900	7,900	7,900
Grants	0	0	0
Benefits & Claims	0	0	0
Debt Services	3,311	3,311	3,311
Total Request	9,416,684	10,462,850	9,985,083
General Fund	3,672,827	4,057,149	3,855,618
State Special Fund	625,773	700,502	679,533
Federal Fund	5,118,084	5,705,199	5,449,932
Total Request	9,416,684	10,462,850	9,985,083

THE FOLLOWING FIGURES PROVIDE FUNDING AND EXPENDITURE INFORMATION FOR FY 2012 FOR BUSINESS AND FINANCIAL SERVICES DIVISION



CHANGE PACKAGES

PL 60044 – Statewide 4% FTE Reduction

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 600444 includes a reduction of 2.50 FTE each year and \$316,046 total funds for the biennium to accomplish the FTE reduction.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2016	-\$81,253	-\$4,272	-\$72,701	-\$158,226
FY 2017	-\$81,184	-\$4,272	-\$72,364	-\$157,820
Biennium Total	-\$162,437	-\$8,544	-\$145,065	-\$316,046

LEGISLATION

The Division has no pending or requested legislation.